

## REVIEW OF URBANIZATION MODELS AND ITS IMPLICATION TO REDUCE URBAN POVERTY

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**ABSTRACT:** Urbanization in nature has two meanings. Firstly, it means migrating people from rural to urban. Second, it means transforming rural area to urban area. Those meanings have two implications for the population as well. The people who migrate from rural to the urban area tend to make the change voluntarily. They want to change their life better than when they lived in rural. On the other hand, the villagers forced by the situation being too urban tend to be apathetic and they are very difficult to adapt and to change so that they are finally forced to change. This paper aims to explain how urbanization happened in Indonesia and its implication on urban poverty. This study depends on investigating literature and media review. We argue that voluntarily urbanization may lead to the new formation of the urban periphery. This will bring economic and social consequences such as land acquisition, job opportunity and urban poverty. Further, the study indicated that under voluntary urbanization, social and economic pressure were more likely to attach to the indigenous community compared to forced urbanization. The study showed that programs on poverty alleviation need to consider the nature of urbanization. Finally, this paper suggests conducting an empirical study related to urban poverty caused by two types of urbanization.

**Keywords:** *Urban Poverty, Voluntarily Urbanization, Forced Urbanization*



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### 1. INTRODUCTION

There is a serial film broadcasted on private television. The title is "*Si Doel Anak Sekolah*". It tells about Betawi ethnic living in Jakarta. Previously, most of them were landowners. At the time, they were villagers. They have had a land field as farmers. Jakarta as the capital of Indonesia needs land to build offices, settlements, companies, etc. The condition had made a demand on the land very high. Land price has been overestimating. It made the villagers interested in selling their land. Then, they had bought the cheaper one located in the suburbs of Jakarta such as Bekasi, Jatibening, Tangerang, Bogor and Depok. Most of them changed the profession from farmer or livestock to trades or services. Unfortunately, it didn't make their life better even contrary. They were forced to sell their land to fulfil the needs because their income was not adequate anymore with the current profession income.

On the other hand, the people who are aware of their competence then they move to the city as immigrants, they will struggle to survive such as the film "*Bulan di Atas Kuburan*". This film tells about Bataknesse who move from villages, located in North Sumatera, to Jakarta because they were motivated by his friend pretended to succeed in there. They were ready in any condition even the worst.

Above two films are fictions but sometimes, they occur in the real world. These phenomena are truly happened such as in Indonesia. These lead to many implications such as on those two films. The first tells about villagers forced to be urban (forced urbanization). Second, villagers want to move from rural to urban (Voluntary urbanization). The films showed the pattern of urbanization. Researchers such as (Hugo, n.d.) says that Indonesia is one of the states that its citizen like to do urbanization, even some ethnics admitted that urbanization is a culture. This paper aims to analyze those patterns. Furthermore, the paper discusses the policy implications for urban poverty alleviation.

This paper is divided into five parts. The part after introduction explores literature review relating to behavioural implication to urbanization as a processing rural to be urban and urbanization as a mobilizing people to urban. Part three discusses the method. Result and discussion are showed in part four. After policy implications, we provided a conclusion.

Urbanization, at least, is understood in two ways. First, according to [1] urbanization as a process represents the increase in the proportion of people living either in a town or city. Second, urbanization as a process reflects transformations in the national economy with growing numbers of people moving

away from employment in agriculture into industry and service sectors [2]. It is also used for the expansion of urban land uses. It is a shift in settlement patterns from dispersed to more dense settlement [3, 4].

To explain how urbanization occurred, there are three urbanization theories [5-7]. First, the theory of endogenous urbanization. It explains that urbanization occurs because of industrialization as a basic driver behind the movement of rural population to urban area for factory jobs. It occurs in big cities in Indonesia such as Jakarta, Semarang, Surabaya and Bandung. The main trigger driving people to move from rural to those cities is because of seeking jobs.

The first theory implies that there are pull and push factors driving villagers to move to the city. As [8, 9] explained that landless, underinvestment in basic infrastructure, lack of economic opportunity and lack of public infrastructures became push factors. While job vacancies, public facilities became pull factors.

Second, the theory of modernization. It assumed that urbanization is occurred because of the wealthier and powerful country so that it makes other citizens moving to there. It is like migrating Moroccan to European Countries. Modernization theory spells out that people will move from rural to urban societies to attain a better living as there are vast technologies or a modernized system of living [10]. This theory explained urbanization at the macro level and also technology as the key to social change.

The last is dependency theory. It developed by Frank in 1969 and Wallerstein. It assumed that there were roles and organizations changes of developing countries to the growth and extension of capitalism in the world system. The implication of this theory can be seen in South Korea and Taiwan. Both countries had got spillover from the USA and Japan in transforming technology of the mobile phone, home appliances, and automobile. Even though in a recent period, those countries were not depending on USA and Japan but at least the dependency theory may become a lesson learnt in understanding in the context of micro-level such as rural-urban linkage.

Those three urbanization theories have a perspective that technology and capitalism had caused a social change in the process of urbanization. It means that technology and capitalism as push factors why the villagers move to the city. This idea was initiated by Todaro as a model that only occurred in the first type of urbanization [11]. While many scholars admitted that there is not only push factors but also pull factors causing urbanization. Also, there is another push factor for urbanization. For instance, most poor villagers have no farmland and in the village, there is a lack of job. Those motivate them to move to a city to get out from their poverty. It means that urban poverty is to be part of rural spill-over [12]. Further, he said that the majority of urban poverty

occurred in the community that engages in the informal sectors. Because of its assumption, the people who migrated to the city did not have sufficient capital in their village so they have a big dream to be a rich man.

While one of the pulling factors why villagers generate urbanization is the ease of getting cash and carry money. Unlike in rural areas, they must plant first before harvesting the crops to get money and it takes time. Another reason for becoming a pull factor is the higher salary in the city than in the village. Urbanization in the second type occurs when an immigrant who is considered successful in the city, have the capital to buy land. If the land price in the centre of the city is not affordable, they will look for the closest, especially in the suburbs which are still rural. When they can buy on suburban land and then occupy, they have slowly urged the landowners to sell their assets. It means that the immigrants are considered more capable than in landers. The driving factor in this type of urbanization is that they can buy land. And the pulling factor is that the land is considered cheaper than the centre of the city.

Urbanization in type two is an indication of the success of urbanization in type one, where villagers who urbanize are considered to be able to get out of poverty so that they can buy land in periphery areas. Its condition will press landowners to sell their farmland. Then, the buyers convert the land to be built area.

#### *Two Major Conditions of Urban Poverty Caused by Urbanization*

Two view ways of urbanization also make some implications of urban poverty. First, urban poverty caused by voluntarily moving people to a city tends to have struggled and never give up spirit. They live in unoccupied lands such as riverside, under bridges. They have limited access in a shelter because housing is one of the barriers to get a proper life. Most of them live in the centre of the city. They have the skill to survive, but not enough to full fill basic needs. They suffer from a lack of capital in terms of expanding their business. They also have limited access in terms of getting financial fund because of a limited network. Moving poor villagers to urban occur because they don't have capital such as farmland while they have a little bit of skill to seek a job in the city so that they remain in poor condition. In common, it is to be one of the driving factors why poor villagers have the motive to do urbanization. When the cities provide more facilities including jobs, it also makes villagers interesting in moving to cities. It is called the pull factor [13].

Second, urban poverty caused by its changing rural area to urban has a gently different characteristic of a poor community. Most of them tend to be apathetic in responding to the change. As in common knowledge that the people who have field job in

farming, are the last alternative after they don't get a proper job. They still assume that if they can't full fill the needs, some of the community members will help them. For example, in an international context, the Aborigine is a tribe in Australia. They are landowners, but they have been outcasted from the outsiders such as British [14]. Though they get the capacity building to build the farmland, they still find difficulty in adapting the change. They think nothing happened to them. That the environment around makes them change. Unfortunately, the change is not well responded so that they remain living as usual.

Whatever of urban poverty condition, the government tried to reduce it through many programs. Unfortunately, most of them were not [15] be less successful. It is proven by [16]. He said that percentage of urban poverty increased over time compared to rural poverty. The next proof that indicates the failure of urban poverty alleviation is based on [17]. He said that urban poverty alleviation programs were too focused on social assistance and the economy. It is proven by the Social Safety Net (*Jaring Pengaman Sosial*) and Urban Poverty Alleviation Program (P2KP).

#### *Behavioural Implication of Urbanization*

As mentioned above, any contexts of urbanization remain to have an impact either positive or negative both individually and collectively. The people who were voluntarily moving from rural to the city have struggle spirit because they have prepared whatever would be occurred even the worst thing. They would have maximum struggle to survive. They have "never give up" spirit. They will effort to get standard of living urban people in general such as appropriate shelter, meal, clothing, transportation, etc. The people conducting migration are mostly in productive age, so that impact of it to the cities is that they will get bonus demography because the population of productive age is larger than unproductive (less of dependency ratio). The direct impact of bonus demography to the cities will get increasing income-per-capita easily. Most of the urban are well educated so that they will increase one of the parameters human development index such as average school duration in the cities. The point in this context is that the cities will get benefits of the urbanization.

Also benefits, the cities have to provide more infrastructures to deliver public services such as public transportations, public school, public health centre, housing, etc. Finally, the city government will seek unoccupied land to build those infrastructures. If the city government doesn't find it, it will buy occupied land. If there is no one more land available in the city, the government will buy the closest land in the bordered line of the city. It means that the city conducts expansion. If the occupied land is rural, then it will be changed urban.

The changing condition from rural to urban has a different implication than previous urbanization case. The villagers are forced to be urban. They will suffer from a shock condition because they aren't well-prepared in daily habits life. They are used care to others, then suddenly they can do nothing when one of the community members have a social problem. For an instant, rural societies are mostly intolerant with "*kumpul kebo live style*" (living together without marriage)". If one of the society members conducts it, they will raid an illegal couple. This condition will make social conflict among them. In another case, the rural societies used to have a sense of high togetherness changing to be individualistic. For an instant, working together periodically in the community is also make social conflict, because the members who do not present in that event will get social punishment such as bullying. When rural transforms to be an urban area, any activities are rewarded with money. If community members have to provide the time to work together in their community, it means that they will lose the chance to get money, because they don't present at work time.

## **2 METHOD**

This research emphasized on reviewing and dialoguing references and data. We collected data and information from investigating reports and news from media online. For secondary data, we obtained from Agency of Center Statistics/BPS, World Bank Report and Indonesian Bank. We collected data on urban poverty, inhabitant between rural and urban area. They were more discussed among them to get a new perspective on urban poverty. Further, the result of the discussion and analyze were considered as solutions to the government in terms of reducing urban poverty.

## **3. RESULTS AND DISCUSSION**

### *Some Patterns of Urbanization in Indonesia*

To prove two types of urbanization, here some empirical evidence had occurred in Indonesia. The cities, such as Bekasi, Kerawang, Bogor and Tangerang are the first successful type of urbanization. Based on [18] 70% inhabitant in Bekasi are urban. The same case is occurred in Depok [19]. Then, [19] says that after Indonesian University moved to Depok, Depok became urban periphery of Jakarta. Industrialization in Jakarta has spilt-over to Bekasi even to Karawang and Cikampek [19]. Based on BBC News Indonesia, the success of Lamonganesse moving to Jakarta to sell "*Soto Lamongan*" had invited their family. Furthermore, they formed a community in Jakarta. They bought the land in Jakarta that nearby their business place.

The failure of first type urbanization has established new poverty in the city. They live in the slum area and unoccupied land such as under fly over and bridges. As evidence, according to [20], most of the people who live in Kalijodo are illegal. They don't have Health Indonesian Card "*Kartu Indonesia Sehat (KIS)*" and Smart Indonesian Card "*Kartu Indonesia Pintar (KIP)*" because they are unregistered as Jakarta's Dwellers. Urban poverty that caused second type urbanization to occur in Karawang. Most of them are peasant/farmers. According to [21] The natives cannot compete in the labour market because they don't have skill. This becomes a causation of poverty in Karawang.

Whatever assumed in those theories, there are remain phenomena. First, cities make larger overtimes. They will develop not only vertically but also horizontally. They need more land to generate

economies and others including shelters. Sure, they will occupy the nearest areas either buying the land or engaging the rural societies to involve investment as shareholders. They contribute the lands as part of shareholders. The phenomenon of the enlarged city over time will meet other cities that make conurbation. This phenomenon among cities certainly will expand the size of the city. For example, the conurbation process between Jakarta and Bandung will urbanize rural areas in between such as Karawang, Purwakarta and Padalarang (see Fig. 1). Second, the rural land located close the cities including their inhabitants were forced to be urban because of the first phenomenon. The third, the rural remains to get backwash effect from the closed city. Because of the conurbation, currently, the percentage of the rural population has been decreased.

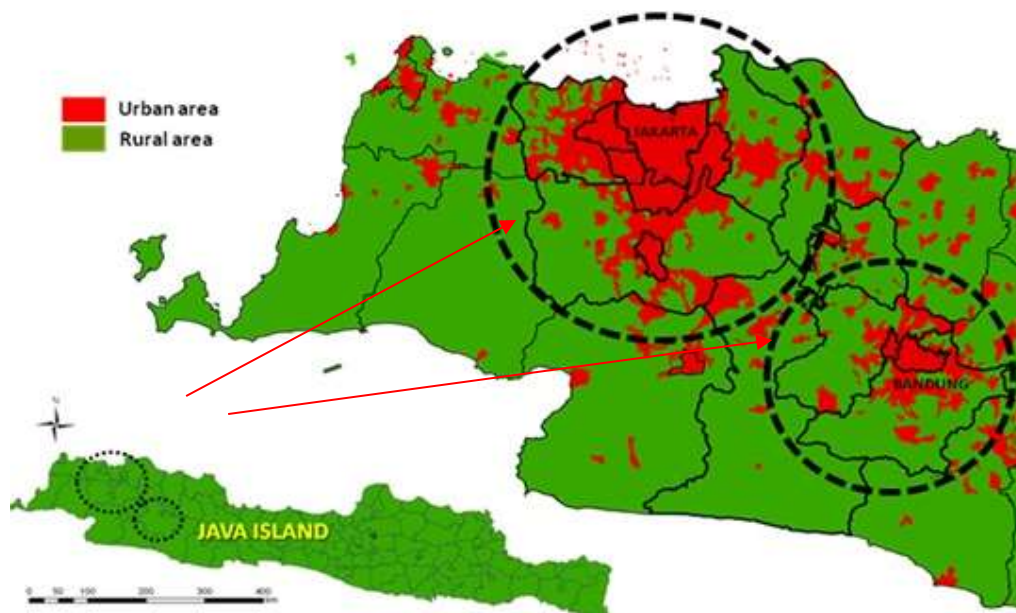


Fig. 1 Conurbation between Jakarta and Bandung [22]

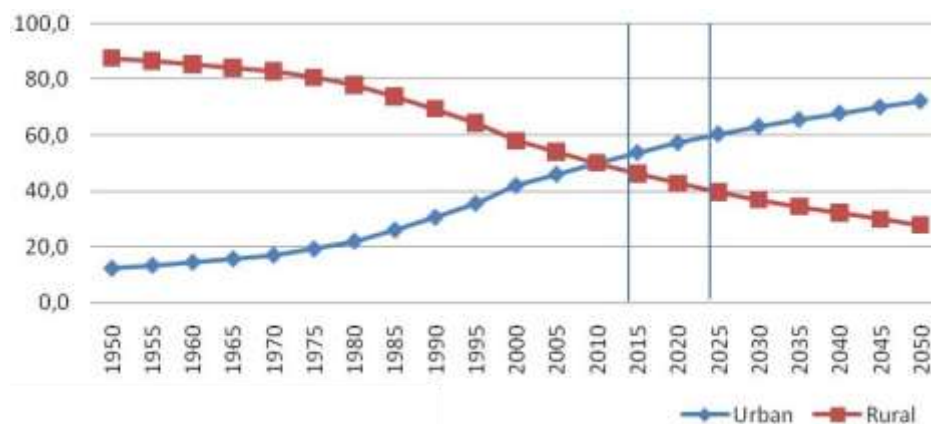


Fig. 2 Proportion Urban and Rural Population in Indonesia (1950-2050) [21]



### Failure of Urban Poverty Alleviation

Some evidence to prove the failure of urban poverty alleviation is based on [16, 17]. They explain that there are several reasons why the programs are failed. First, the government is still oriented to economic aspects rather than multidimensional aspects. Second, the program tends to charitable than productivity. In the case of poverty alleviation which is only based on charity, there will be no encouragement from the poor to try to overcome poverty. They will always depend on the help provided by other parties.

Third, the government often give the position the poor as objects rather than subjects. They should be used as subjects, namely as agents of change who are actively involved in poverty alleviation program activities. Fourth, the government is still as a saviour rather than a facilitator. The government still acts as a ruler who often intervenes too broadly in the lives of poor people.

### Policy Implication in Reducing Urban Poverty

Most scholars may be aware that many causes of poverty, but at least the above argument on two major conditions of urban poverty become a consideration to the policymaker in reducing poverty in case of urbanization. It means that

policymaker has to make different intervention based on each condition. At least, a policymaker may assess the causes of poverty before conducting the intervention, so that the reducing poverty will be right on target. This paper suggests that some policies should be considered to both urbanization and poverty itself. 1) *Urban poverty caused by the voluntary condition* of urbanization is mostly lack of capital or not having good skill. The urban community should be facilitated by vocational training and giving access to a bank or financial institution. The policymaker should facilitate them to get proper shelters and living standard; 2) *Urban poverty caused by forced change condition* of villagers to be urban should be encouraged by the government such as giving provocation and motivation to them in terms of making change. Most of them already have some properties and capital such as housing and land. They also have a social network because they relatively stay longer in the city compared the first condition; 3) *The policymaker* is better to solve the root of the urbanization problem. That is a disparity of development. Based on data Central Bank Indonesia (2017) distribution of money in Indonesia is dominated in Java around 64,6% (see Table 1).

Table 1. Total Outflow and Inflow Based on The Region from 2016-2017 (in trillion)

Region	Outflow		Inflow	
	2016	2017	2016	2017
Java	361,2	410,5	377,3	389,8
Sumatera	122,0	133,6	97,8	103,7
Bali, Nusa Tenggara	31,9	34,2	31,0	30,8
Kalimantan	42,2	50,4	32,8	35,1
Sulawesi, Maluku & Papua	53,1	56,3	45,7	44,1
National	610,4	684,9	584,6	603,6

Source: Central Bank Indonesia 2017

Its analogy is like sugar, if it is placed into one place domination, more ant will come into one place as well. How to distribute the population equally is by allocating budget equally as well, so that the people naturally will move from density population to another place. Policymaker is also suggested to

put and to distribute structures, infrastructures and human resources equally so that the distribution of the population is hoped to spread evenly as well. Table 2 and 3 are the resume of the findings to make it concise.

Table 2. Two Types of Urbanization

	Type I: Migration of Rural People to Urban Areas	Type II: Transforming Rural to Urban Areas
Motive	Voluntarily Change	Forced Change
Causation factor	Push and pull	Successful of type I
Characteristics of urban poverty	<ul style="list-style-type: none"> <li>- Illegal Dweller</li> <li>- Informal Sectors</li> <li>- No access to formal sector</li> <li>- Struggle to survive</li> </ul>	<ul style="list-style-type: none"> <li>- Legal dweller</li> <li>- Primary Sectors</li> <li>- Having access to formal sectors</li> <li>- Apathetic</li> </ul>
Physical Characteristics of the city	- Well organized	- Urban sprawl

Table 3. Policy Responses to Alleviate Urban Poverty Based on Two Types of Urbanization

Policy Responses	Type I: Migrating People to Urban	Type II: Transforming Rural to Urban
Status of Citizen	Register illegal dweller to get the requirement of ID, KIS and KIP	Screening to dwellers who not KIS & KIP
Type of intervention	Vocational training	Building Motivation Capacity building
An object of Social assistance	Disable person Social disfunction	Disable person Social disfunction
Kind of Assistance	- Settlement - Provide access to the bank	Provide jobs

#### 4. CONCLUSIONS

This research shows that voluntarily urbanization may lead to the new formation of the urban periphery. This will bring economic and social consequences such as land acquisition, job opportunity and urban poverty. Further, the study indicated that under voluntary urbanization, social and economic pressures were more likely to attach to the endogenous community compared to forced urbanization. Urban poverty alleviation has been programmed since the city government exists. Unfortunately, it is more failure than success. Some factors cause failure. One of them is caused by the wrong policy in reducing poverty such as generalizes intervention to the poor. For instance, Indonesia used the social safety net (Jaring Pengaman Sosial) to alleviate urban poverty. Those programs are also failed. It means that the government has to consider another program rather than to failed. What I propose here is not the best, but at least becoming a new alternative in reducing poverty. The government has to consider the nature of urbanization. The follow up of this research, we suggest conducting an empirical study related to urban poverty caused by two types of urbanization.

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